

Opening Statement of the Honorable Fred Upton
Subcommittee on Energy and Power
Hearing on “The North American Energy Infrastructure Act”
October 29, 2013

(As Prepared for Delivery)

Today, we examine a critical component in the effort to construct the architecture of abundance to realize our nation’s newfound energy potential. The bipartisan “North American Energy Infrastructure Act” is a bill that fills in the gaps created by executive orders and attempts to add much-needed regulatory certainty to energy infrastructure projects that cross the Canadian or Mexican border. I would like to thank my friend and colleague Gene Green for co-sponsoring this bill, and look forward to working across the aisle on this important measure.

The most significant energy storyline in recent years has been the unexpected increase in North American oil and natural gas production. Long-held assumptions of permanent declines in North American energy output have been turned upside down by impressive production increases dating back to 2007. The Energy Information Administration and others expect the growth in oil and gas output to continue rising in the years ahead.

However, the federal regulatory regime has failed to keep up with this dynamic advancement. Many new infrastructure projects, including oil and gas pipelines and electric transmission lines, will be needed to transport this growing energy abundance, including projects that cross our Northern or Southern borders. But these projects, and the jobs and economic growth they will help generate, can get delayed for years on end. The time has come for Congress to provide certainty and rightfully assert its role in deciding how these projects should be allowed to cross our nation’s borders.

We have all heard about the Keystone XL pipeline expansion project to bring more Canadian oil to the American market. We have also heard about this project’s nearly five-year regulatory delay. But Keystone is not the issue today. There are many other upcoming cross border projects, both large and small, that may be subject to similar delays. We also have projects that have been in existence for decades that are being left in regulatory limbo over minor issues such as change in ownership. This is only dissuading industry and investors, both here and abroad, from entering the U.S. market.

For those concerned about the environmental and safety standards applicable to these projects, the good news is that none of these standards are changed by the bill. This bill simply brings uniformity to current administration policy—that a cross-border decision does not in and of itself trigger a NEPA determination.

Under this bill, a 500 mile pipeline or a transmission line carrying new hydro from Canada or solar from Arizona that extends across the Canadian or Mexican border would be subject to the same regulatory scrutiny as a similar project that remained within the boundaries of the U.S., but it would no longer be subject to unlimited additional delays because of the border crossing.

Our energy policies should seek to safely and responsibly maximize our energy abundance and minimize pain to people’s pocketbooks when it comes to energy prices. This bipartisan legislation is an important step forward as we work to develop the architecture of abundance to achieve North America’s energy future.

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